

EXHIBIT B

ADMINISTRATIVE OVERVIEW

Alton Coal Development, LLC
Coal Hollow Project
C/025/005
Kane County, Utah

October 15, 2009

PROPOSAL

Alton Coal Development, LLC is applying for a permit to conduct surface coal mining operations at its site located south of the town of Alton, Utah in Kane County. The proposed development is the Coal Hollow Mining Project, which anticipates surface mining within a 635.64 acre permit area all in fee ownership. The center of the Coal Hollow Project is located approximately 3 miles south of the town of Alton, Utah. This project involves the development of a surface mining operation that will produce approximately 2,000,000 tons of coal annually for approximately 3 years. The coal will be transported from the Alton coalfield in trucks. The applicant has an interest in adjoining federal property and has applied to the BLM for additional leases through the Lease by Application (LBA) process. This Decision Document does not cover the development of the federal leases, which will be addressed under a separate permitting action.

BACKGROUND

On June 27, 2006 Talon Resources, Inc. submitted a new permit application for the Coal Hollow Mine. The application was reviewed, determined to be incomplete and denied on August 26, 2006. A new application was again submitted by Alton Coal Development, LLC, for the Coal Hollow Mine on June 14, 2007. This application was also reviewed, determined to be incomplete and denied on August 27, 2007.

On January 24, 2008, the Division received supplemental information as part of the application to permit the Coal Hollow Project. On March 14, 2008 the application was determined to be administratively complete and a technical review of the application commenced. Public notification, through the Southern Utah News, occurred from March 26, 2008 to April 16, 2008. An informal conference was requested and held on June 16, 2008 in the Alton City Hall. Several comments were received, reviewed and considered during the review process.

The review process consisted of the Division identifying deficiencies in the application and the applicant (Alton Coal Development, LLC) providing responses. Input from the public and other agencies was requested and considered during the process. Numerous meetings were

held to discuss the results. Alton Coal Development, LLC provided additional information on December 22, 2008, August 17, 2009 and October 8, 2009. Finally on October 14, 2009 the last submittal was made which incorporated all of the updates made throughout the review process and the application was considered to be complete and accurate with a few housekeeping still needed to clean up some inconsistencies in the application.

HOUSEKEEPING CORRECTIONS NEEDED

Required Supporting documentation to be provided before permit issuance:

R645 - 301- 622.300 requires strike and dip be shown on a map. Strike and dip are not evident on Drawings 6-1 and 6-6 (see statement in Section 622.300). Clearly indicate strike and dip on Drawings 6-1 and 6-6, or if strike and dip are shown on other maps, correct the reference in Section 622.300.

Add information on surface-water monitoring points SVWOBS-1 and SVWOBS-2 to Section 724.200 and appropriate maps.

Clear and concise issues to be corrected before permit issuance:

- Add Drawings 15 and 15B to the Table of Contents for Chapter 7.
- Clarify that silt fencing treating runoff from Watershed 6 will be placed on the upslope or east side of the relocated channel, rather than on the downslope or west side as indicated on Drawing 5-26.
- Update Section 731.600 Stream Buffer Zones to include “ephemeral streams that drain a watershed of at least one square mile” (R645-301-731.600 was reworded after the Applicant’s initial submittal).
- Page 5-59 still contains a reference to grading within 180 days which must be corrected to be in compliance with the requirements of R645-301-553.

RECOMMENDATION

All of the information submitted by Alton Coal Development, LLC has been found adequate to approve the application for a new permit for the Coal Hollow Mine. A Technical Analysis has been completed which indicates that the application is considered to be complete and accurate as long as a few specified conditions are complied with. A Cumulative Hydrologic Impact Assessment has been completed that has determined that the mining and reclamation operation has been designed to prevent material damage to the hydrologic balance outside the permit area. This permitting action was published in the Kane County Southern Utah News on March 26, April 2, 9 and 16, 2008. An informal conference was held on June 16, 2008 where comments on the application were received. Additional opportunity for comment and public

hearing was provided on March 25, 2009 when the Division published notice of temporary road relocation for K3900 and temporary road closure for K3993 in the Southern Utah News, in accordance with R645-103-234. The comment period ran for 30 days with no requests for a hearing received.

An OSM-AVS recommendation was requested on October 15, 2009, which indicated no outstanding violations.

A certificate has been provided through James Banasky Insurance Inc., which shows that Alton coal Development, LLC has an adequate public liability insurance policy in force.

It is, therefore, recommended that the application submitted by Alton Coal Development, LLC for the Coal Hollow Mine be approved with the conditions attached to the proposed permit. Once an adequate reclamation bond has been posted for the project and the Applicant has updated, corrected or indicated that no change has occurred in the information previously submitted under R645-301-112.100 through R645-301-112.88 and R645-301-113, a permit for the Coal Hollow Project can be issued.